



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
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WASHINGTON, DC 20350-1000

APR 25 2005

MEMORANDUM FOR DISTRIBUTION

Subj: REVISION TO DoD EARNED VALUE MANAGEMENT (EVM) POLICY

Encl: (1) OUSD(AT&L) Memorandum of 7 March 2005  
(2) Data Item Description, Contract Performance Report (CPR)  
(3) Data Item Description, Integrated Master Schedule (IMS)

Enclosure (1) provides the revised Department of Defense policy on the implementation of Earned Value Management. In support of the EVM policy changes, enclosures (2) and (3) are forwarded as the updated Data Item Descriptions (DIDs) applicable to EVM.

This policy must be implemented on applicable future contracts that are awarded based on solicitations or requests for proposals issued on or after 7 April 2005 (30 days from the date of the signed memorandum).

Earned Value Management is an effective management control tool, and it is important that Program Managers understand EVM as a disciplined planning and management system, and use EVM data in day-to-day program management. When used properly, EVM allows both Government and contractor program managers (PM) visibility into technical, cost, and schedule planning, performance, and progress on their contracts. This visibility provides not only insight to contract performance, but also provides data points to statistically estimate probable completion costs. The implementation of an effective EVMS is a required function of program management. It ensures that cost, schedule, and technical aspects of the contract are truly integrated.

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SUBJECT: Revision to DoD Earned Value Management Policy

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